

Inspiration begins here 

THE MUSEUM OF FLIGHT CAMPAIGN

January 11, 2016

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED],

Thank you for your invitation to submit this Letter of Inquiry on behalf of The Museum of Flight. [REDACTED] [REDACTED] has been the Museum's valuable partner in our restoration activities going back to 1983, when [REDACTED] personal project, a Curtiss JN-4D Jenny, became the first aircraft exhibited in the Museum's newly restored Boeing Red Barn, the first building on The Museum of Flight's campus. In 2011, [REDACTED] assisted the Museum in upgrading the Curtiss Jenny exhibit in the J. Elroy McCaw Personal Courage Wing, and in 2013, provided us with a challenge grant for the successful refurbishment of our SPAD S.XIII (S.13). We are very grateful for your partnership in our efforts throughout the years to bring aviation history back to life in such an enriching manner.

I'm reaching out now to invite the [REDACTED] to assist The Museum of Flight with a very important capital improvement project, one that will impact every major aircraft restoration project the Museum embarks on in the future. The buildings housing the Museum's Restoration Center and Reserve Collection (RCRC) are in need of renovations to improve the safety and effectiveness of the working environment and increase energy efficiency.

The RCRC is located at Paine Field in Everett, Washington – 32 miles north of the Museum's main campus at Boeing Field – and comprised of two hangars: C-72 & C-73. The smaller hangar, C-73, was built in 1979, and the larger hangar, C-72, which also houses office and classroom spaces, was built in 1985. The Museum of Flight began using the facility to restore and preserve historic aircraft in 1988, and entered into a twenty-year lease with Snohomish County in 2010.

Every aircraft brought to the 23,000-square-foot facility undergoes a thorough evaluation to determine the nature and scope of the work needed. Following this evaluation, an experienced team of volunteers is assembled who have the necessary skills to complete the work correctly. The RCRC is home to approximately three dozen aircraft in varying states of restoration, plus finished aircraft and hundreds of aviation artifacts on display. This working hangar is open to the public where visitors can get very close to projects in progress and interact with the restoration volunteers, some of whom have been working on aircraft for decades, even after retiring from the aviation industry.

The hangars were originally built as storage spaces, not work spaces. In 2011, a grant from the [REDACTED] supported upgrades to the lighting in both buildings, which improved the safety and effectiveness of the space and reduced energy costs. Renovations have also been completed on the main lobby, including carpeting, painting, and exhibits upgrades. The gutter system on the hangars has also been repaired or replaced where necessary.



Upgrades are needed on both buildings to protect the volunteers and artifacts from the Pacific Northwest's cool damp climate. These include:

- Improvements to wall insulation and door seals
- A change from inefficient electric heating to a natural gas system to reduce energy costs and improve overall work conditions
- Repair work to the main hangar doors

The upgrades to the RCRC will create a safer and more effective workplace environment for our staff and dedicated volunteers while also reducing the overall operational cost of the facility. The successful completion of these improvements will result in an increase in productivity, bringing projects to completion quicker and at a lower cost, as well as improvement of the storage environment for the artifacts.

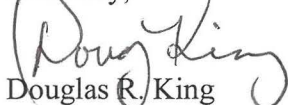
The Museum of Flight's mission is to acquire, preserve and exhibit historically significant air and space artifacts, which provide a foundation for scholarly research, and lifelong learning programs that inspire an interest in and understanding of science, technology and the humanities. The Museum's overarching goal is to be *the foremost educational air and space museum in the world*, and our Restoration Center and Reserve Collection is "Ground Zero", where all of our aircraft preservation activities begin. In 2015 alone, 45 active volunteers invested 11,996 hours towards this goal. The renovation of the RCRC is critical to creating the optimal work environment for our staff and volunteers and for the effective preservation of our valuable, and often one-of-a-kind aviation assets.

The Museum invites the [REDACTED] to make a \$150,000 investment over the next three years to support this capital improvement project, representing 39% of the projected \$380,000 total budget. In honor of such a generous commitment, the Museum would offer recognition of [REDACTED] at the RCRC with a biographical display of [REDACTED] background and connection to the Museum and Pacific Northwest.

Each year, the Museum welcomes more than half a million visitors to experience inspiring exhibits and education programs. The RCRC welcomed 3,222 of these visitors in 2015 to observe and interact with historical aircraft and history-building volunteers. The "visitor experience" is one of four key pillars upon which the Museum is built. Visitors will enjoy a more comfortable and welcoming environment because of the upgrades achieved through this project, while staff and volunteers will benefit from a safer and more work-friendly atmosphere.

Included with this LOI, please find a project budget and images from the Restoration Center and Reserve Collection. Thank you for taking the time to consider this request. I'm happy to answer any questions you might have and look forward to sharing more about this project with you and your fellow trustees.

Sincerely,



Douglas R. King
President & CEO

Cc: Trip Switzer, VP of Development
Jeff Bauknecht, Grant Program Manager

Restoration RCRC and Reserve Collection Renovation Projected Budget

2016: **\$71,000**

C-72 Hangar

\$12,500 - Install wall insulation

\$13,000 - Hangar doors insulation and seal replacement

\$ 6,000 - Hangar door outside panel repair

\$24,000 - Install new fire and smoke alarm system

C-73 Hangar

\$7,500 - Hangar doors insulation and seal replacement

\$8,000 - Install wall insulation

2017: **\$144,000**

Replacement of electric heat with a natural gas system

\$112,000: C-72 Hangar

\$ 32,000: C-73 Hangar

2018: **\$165,000**

\$85,000 - Repair and resurface ramp area between hangars C-72 and C-73

\$55,000 – Energy efficient outside windows along lobby, classroom and offices

\$25,000 – Install security alarm system

Total Project Cost: 2016-2018 **\$380,000**

Restoration Center and Reserve Collection Pictures



Group of RCRC volunteers proudly stand in front of the Museum's General Motors (Eastern Aircraft Division) FM-2 Wildcat during restoration
(The prototype Vought (XF-8A) XF8U-1 Crusader can be seen in the background, the first fighter jet to exceed 1,000mph)



RCRC volunteers create wood spars and ribs from scratch for a Pratt-Read PR-G1 Glider used for Navy pilot training during WWII

Museum of Flight
Restoration Center and Reserve Collection
Paine Field – Everett, Washington



Museum of Flight Proposal

Re: Restoration Center and Reserve Collection Facility Repair and Renovations

MISSION:

The Museum of Flight's mission is to acquire, preserve and exhibit historically significant air and space artifacts, which provide a foundation for scholarly research, and lifelong learning programs that inspire an interest in and understanding of science, technology and the humanities. The Museum's vision is to be the foremost educational air and space museum in the world.

BRIEF HISTORY:

In 1965, a small group of aviation enthusiasts established the Pacific Northwest Aviation Historical Foundation (PNAHF) with the goals of saving significant aircraft and related artifacts, and educating the public about their importance. When the Port of Seattle leased land to the PNAHF in 1975, a permanent home was established that would house The Red Barn®, the birthplace of The Boeing Company. As the Museum collection grew, new galleries, collections storage, visitor services and administrative office space were built to enhance the Museum's ability to care for the collection and use it to educate and inspire visitors. In the summer of 2016, a new 140,000 square foot Aviation Pavilion will open to the public nearly doubling the Museum's protected exhibit and education space. The Pavilion will cover 18 of the Museum's large and most iconic aircraft such as the first Boeing 747, 727 and 737 which recently made its final flight from the RCRC to the Museum's main campus.

Today, the Museum is one of the largest air and space museums in the world, attracting more than 525,000 visitors in 2015 to enjoy exhibits and participate in educational and public programs, and group events. We hold one of the most comprehensive air and space collections in the United States including more than 150 air- and space-craft, thousands of small objects, 90,000 books and periodicals and nearly 5,000 cubic feet of archival materials including an estimated four million photographic images.

The Museum continues to deliver on its vision by expanding our role as a leader in the delivery of informal science, technology, engineering, and math (STEM) education programs in Washington State. Museum staff impacted nearly 160,000 pre-K-12 students and teachers in 2015 through 2,040 onsite and outreach education programs. Our goal is to increase this number to 220,000 annually by 2020. Gender, ethnicity and income level are all factors that can discourage a young person from pursuing a college education, especially in science, technology and engineering fields. The Museum's goal is to serve at least 50% of our annual youth education participants from these underrepresented populations.

HOW FUNDS WILL BE USED:

Funds from this grant will support repair and renovation work on the Museum's Restoration Center and Reserve Collection (RCRC) buildings, which are in need of improvements to increase safety and effectiveness of the working environment and increase energy efficiency. The RCRC is located at Paine Field in Everett, Washington – 32 miles north of the Museum's main campus

at Boeing Field – and comprised of two hangars: C-72 & C-73. The smaller hangar, C-73, was built in 1979, and the larger hangar, C-72, which also houses office and classroom spaces, was built in 1985. The Museum of Flight began using the facility to restore and preserve historic aircraft in 1988, and entered into a twenty-year lease with Snohomish County in 2010.

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Museum of Flight 2016 OPERATIONS BUDGET

Revenue	Budget 2016
Earned Income	
<i>Admissions/Sales Activity</i>	
Admissions	\$ 6,348,395
Simulators	\$ 412,258
Other Visitors Service Revenue	\$ 301,974
Store Sales	\$ 2,605,491
Private Events	\$ 951,136
Admissions/Sales Activity	\$ 10,619,254
Education Programs	\$ 1,031,741
<i>Misc. Revenue</i>	
McCormick & Schmick	\$ 796,000
Other - Various	\$ 1,057,544
Misc. Revenue	\$ 1,853,544
Contributed Revenue	
	\$ 4,816,614
Memberships	
	\$ 1,300,000
<i>Events</i>	
Annual Event	\$ 500,000
Pathfinder/Breakfast	\$ 155,000
Hops & Props/Other	\$ 190,000
Events	\$ 845,000
TOTAL - DIRECT REVENUES	
	\$ 20,466,153
Restricted funds earned in prior years, to be spent in 2016	\$ 509,970
Restricted funds from 2016, to be spent in 2017 & beyond	\$ -
TOTAL OPERATING FUNDS AVAILABLE IN 2016	\$ 20,976,123

Expense	Budget 2016
<i>Compensation</i>	
Salaries	\$ 8,841,636
P/R Taxes & Benefits	\$ 2,322,429
Compensation	\$ 11,164,066
<i>Other Direct Expenses</i>	
General and Admin	\$ 968,233
Travel/Conventions	\$ 205,823
Facilities and Maintenance	\$ 1,704,535
Utilities / Phone	\$ 788,180
Printing/Postal	\$ 304,134
Supplies	\$ 522,114
Marketing & Promotion	\$ 1,124,505
Major Events Expense	\$ 476,000
Lobbyists	\$ -
Legal / Accounting	\$ 101,500
Contracted Services	\$ 1,275,081
Insurance	\$ 383,896
Misc. Expense	\$ 524,886
Other Direct Expenses	\$ 8,378,887
Cost of Goods Sold	\$ 1,260,570
Debt Interest/Bank Origination Fees	\$ 2,600
TOTAL DIRECT EXPENSES	
	\$ 20,806,123
Debt Repayment	\$ -
Capitalized Expense	\$ 170,000
TOTAL OPERATING FUND EXPENDITURES	\$ 20,976,123

Summary	
Total Revenue	\$ 20,976,123
Total Expense	\$ 20,976,123
Net	\$ 0